GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:2830
ANSWERED ON:10.03.2003
REPRESENTATION FROM ASSOCIATIONS OF FPI
MADAN PRASAD JAISWAL;RATNA SINGH

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Government have received any representations from various associations of Food Processing Industries detailing their problems which are inhibiting their growth;

(b) if so, the details thereof; and

(c) the steps proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI N.T. SHANMUGAM)

(a) to (c): The Ministry of Food Processing Industries hasbeen interacting with the industry associations on a regular basis. The constraints faced by the food processing industries include lack of infrastructural facilities, low margins, seasonality, high perishability, multiplicity of laws, tax structure, market development, high cost of packaging, etc. To address the problems faced by the industry with regard to multiplicity of laws, regulatory authorities and standards, Government has constituted a Group of Ministers to recommend an Integrated Food Law, independent regulators and comprehensive amendments to the existing legislations for facilitating fast pace growth of food processing industries. A number of plan schemes and interventions for infrastructure development including cold storage; reefer vans, agri-export zones and food parks have been devised to facilitate food processing industries. Rationalisation of tax structure is a continuous process and Government has already brought down excise duty on processed fruits and vegetables to zero. In the Budget proposals for the year 2003-04, the Union Finance Minister has announced the following reliefs for the food processing sector:

(1) Excise exemption on processed products of fruit and vegetables would continue.

(2) Excise duty on aerated soft drinks reduced from 32% to 24%.

(3) Excise duty on biscuits, boiled sweets, sugar confectionery

(excluding white chocolate) has been reduced from 16% to 8%.

(4) Custom duty on dried grapes and preparations based on odoriferous substances used in manufacturing of alcohol beverages has been reduced to nearest multiple of 5% below WTO bound rate. The customs duty on dried grapes has been reduced from 105% to 100% and on odoriferous substances from 160% to 155%.

(5) Customs duty on refrigerated truck has been reduced from 25% to 20%.